



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 144

Hearing Date: February 10, 2005

Committee On: Nebraska Retirement Systems

Introducer(s): (Price)

Title: Change requirements for modifying information statements under the School Employees Retirement Act

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

6	Yes	Senators Bourne, Erdman, Pederson, Price, Stuhr, Synowiecki
0	No	
0	Present, not voting	
0	Absent	

Proponents:

Senator Marian Price
Virgil Horne
Mike Dulaney
John Bonaiuto
Herb Schimek

Representing:

Introducer
Lincoln Public Schools
Nebraska Council of School Administrators
Nebraska Association of School Boards
Nebraska State Education Association

Opponents:

Representing:

Neutral:

Anna Sullivan

Representing:

Nebraska Public Employees Retirement Systems

Summary of purpose and/or changes:

Legislative Bill 144 would amend Neb. Rev. Stat. § 79-907 (Cum. Supp. 2004) as it concerns statements of information sent to plan members of the School Employees Retirement System.

Currently, section 79-907 requires that such statements be sent every two years by first class mail to members of the School Employees Retirement System. Each statement contains information on the amount of creditable service earned by the member, reported income, and other such information determined necessary by the director of the Nebraska Public Employees Retirement

Systems ('NPERS') in order to calculate the member's retirement benefit. Plan members are to verify such information for errors and may dispute the information within ninety (90) days after receipt of their statement.

LB 144 would place the burden of discovering such errors also upon both the Public Employees Retirement Board ('Board') and the Director of NPERS. This proposal would bind both PERB and NPERS from forever challenging the veracity of the creditable service statements if an error is discovered after the ninety (90) day period has elapsed from the date of the notice.

Section by Section Summary of Bill:

Section 1. Would add language barring the board, the director and the retirement system from challenging information contained in a retirement benefit statement after a ninety-day period has elapsed from the date of the notice.

Section 2. Original section is repealed.

Explanation of amendments, if any:

The committee amendment, AM 0462, substantially changes LB 144, and would remove the current statutory requirement that School Employee Retirement System plan members are to verify their creditable service statements for errors within ninety (90) days after receipt of a member's statement from NPERS.

Under this amendment, plan members are no longer barred from bringing challenges to NPERS due to salary and creditable service information the plan member believes to be incorrect. AM 0462 removes the provision contained in LB 144, which would have also restricted NPERS from correcting errors after the ninety (90) day period had lapsed.

In addition, the amendment would specify that the Public Employees Retirement Board has an ongoing fiduciary duty to modify or correct a member's statement if the Board discovers an error in the information it has on record. The Board would be required to make a modification or correction of the information within sixty (60) days after the error is brought to the attention of the Board.

Section by Section Summary of Committee Amendment, AM 0462:

Section 1. Would remove the requirement that a plan member verify their creditable service statements with a ninety (90) day period. Also, would place a fiduciary duty upon the Board to correct errors, and the Board would need to make any corrections within sixty (60) days of the discovery of such errors.

Section 2. Original section is repealed.

Senator Elaine Stuhr, Chairperson